REMARKS

In reply to the above-identified Office Action, Applicants amend the application and seek reconsideration thereof. In this reply, Applicants amend independent claims 1 and 40. Applicants do not cancel or add any new claims in this reply. Accordingly, claims 1, 3-5, 39 and 40 are pending.

I.   Claims Rejected Under 35 U.S.C. § 112

The Examiner rejects claim 5 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. Applicants respectfully traverse this rejection, but amend independent claim 1, from which claim 5 depends, to expedite prosecution. More particularly, Applicants have amended claim 1 to recite, "reading signature data, by said wallet server, from a transaction instrument." Accordingly, Applicants submit that amended claim 5 fully conforms with 35 U.S.C. § 112.

II.   Claims Rejected Under 35 U.S.C. § 103

The Examiner rejects claims 1-5, 39 and 40 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 6,327,578 issued to Linehan ("Linehan"). Applicants respectfully traverse these rejections.

In making the rejection, the Examiner characterizes Linehan as essentially showing each of the elements of claim 1 in the instance when, by coincidence, a merchant and a user share the same bank or financial institution. The networks disclosed in Linehan send "from a consumer's computer a start message over an internet to a merchant's computer." Linehan, Column 4, lines 10-12. "The merchant's computer then replies to the consumer's computer with a merchant message including a wallet initiation message, a merchant digital signature, and a digital certificate from an acquiring bank." Id., lines 12-16. The consumer's wallet program is then started in the consumer's computer in response to the wallet initiation message. "The consumer's computer then sends over the internet network some consumer identity and authentication information, such as a userid and user password, plus the merchant message, to an issuer gateway operating on behalf of an issuing bank." Linehan, Column 4, lines 19-23. Thus, in Linehan, the computer sends consumer identity and authentication information.

By contrast, claims 1 and 40 each recite "reading signature data, by said wallet server, from a transaction instrument, wherein said transaction instrument includes signature data configured to authenticate that said transaction instrument was physically interfaced with said wallet server" (emphasis added). Further, Applicants' specification defines a transaction instrument as "transaction card products (e.g., credit, charge, debit, smart cards, account numbers, and the like)." Specification, page 3, lines 4-7. Thus, the Linehan system does not disclose or suggest reading data directly from a transaction instrument to verify that the consumer is in actual possession of the transaction instrument. As such, Linehan does not disclose, teach or suggest, for example, "a transaction instrument, wherein said transaction instrument includes signature data configured to authenticate that said transaction instrument was physically interfaced with said wallet server," as recited by independent claims 1 and 40. Accordingly, Applicants respectfully request withdrawal of the rejection of independent claims 1 and 40.

Claims 3-5 each depend from claim 1 and contain all of the elements thereof. Therefore, Applicants respectfully submit that claims 3-5 are not obvious over Linehan and are in condition for allowance at least for the same reasons as claim 1 described above, as well as in view of their own respective features. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 3-5.

Regarding claim 39, the Examiner claims that the "merchant computer" in Linehan is a transaction instrument. Applicants, in view of the discussion above, respectfully disagree with the Examiner that the merchant computer in Linehan reads on a transaction instrument as recited in claim 39. Moreover, in view of the discussion above, Applicants submit that Linehan fails to teach or suggest "an interface...configured to authenticate that said transaction instrument was physically interfaced with said wallet server" as recited in claim 39 (emphasis added). Accordingly, Applicants respectfully request withdrawal of the rejection of claim 39.

III. Conclusion

In view of the foregoing, Applicants assert that all claims now pending are in condition for allowance. A Notice of Allowance is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (602) 382-6389.

Applicants authorize and respectfully request that any fees due be charged to Deposit Account No. 19-2814.

Respectfully submitted,

Dated: 6/21/05   By: _____
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